

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining JOHN R. BAZA

Division Director

June 18, 2015

Certified Return Receipt 7014 0150 0000 1194 2999

Brian T. Dolan Basin Perlite Company 1400 16th Street Denver, Colorado 80202

Subject: <u>Division Directive to Reclaim or to Transfer Permit, Basin Perlite Company, Pearl Queen Perlite Mine, M/001/0027, Beaver County, Utah</u>

Dear Mr. Dolan:

The Utah School and Institutional Trust Lands Administration (SITLA) has notified the Division of Oil, Gas and Mining that there is a new lessee for the SITLA mineral rights in the area of the Pearl Queen pit. Utah Administrative Code R647-4-101 states that "the approved notice of intention...shall remain in effect for the life of the mine." Since the Division understands that you no longer have mineral extraction rights at this site, you are hereby directed by November 1, 2015, to EITHER:

1) Complete final site reclamation activities (including regrading and seeding). The Division will be glad to make revegetation recommendations.

OR

2) Transfer the permit and associated reclamation liability to another entity. If you decide to transfer the permit, please notify the Division prior to October 1, 2015, and submit the transfer application by November 1, 2015. Transfer forms can be found on the Division's website at https://fs.ogm.utah.gov/PUB/MINES/Minerals Related/FORMS/MR-TRL.pdf.



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Please contact Peter Brinton at 801-538-5258, or me at 801-538-5261 if you have questions or concerns about this letter. Thank you for your cooperation.

Sincerely,

Paul B. Baker

Minerals Program Manager

PBB: pnb: eb

Brian T. Dolan, Basin Perlite Company; 1400 16th Street, Denver, Colorado 80202 Tim Mosely, Basin Perlite Company, 1400 16th St Ste. 200, Denver, Colorado 80202 Andrea Antillon, Resource Capital Funds; aantillon@rcflp.com

Andrea Antillon, Resource Capital Funds; aantillon@rcflp.com John Blake, SITLA (ML 3092; ML 53130); jblake@utah.gov Ed Ginouves, BLM (UTU-80276); eginouve@blm.gov

O. Jay Gatten & Oren S. Gatten (current lessees), 150 E. 600 N., #12 , Kaysville, Utah 84037 P:\GROUPS\MINERALS\WP\M001-Beaver\M0010027-PearlQueen\final\DIRECTIVE-06172015.docx